

**BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2016- 384-S**

Application of Moore Sewer, Inc. for  
Adjustment of Rates and Charges and  
Modification to Certain Terms and  
Conditions for the Provision of  
Collection-Only Sewer Service

)  
) **TESTIMONY OF JANET TEICHMAN**  
)  
)

1   **Q.     Would you please tell the Commission your name and business address.**

2   A.     My name is Janet Teichman and my business address is 110 Milliken Road, Spartanburg,  
3         SC 29303.

4   **Q.     By whom are you employed and in what capacity?**

5   A.     I am a shareholder of Moore Sewer, Inc. ("Moore Sewer" the "Applicant" or the  
6         "Company"). I manage Moore Sewer and am responsible for its day-to-day operations,  
7         conducting a variety of field services and billing services for the Company. My husband  
8         William "Bill" Teichman is also a shareholder of Moore Sewer, and contributes to the  
9         operations of the Company as described below.

10   **Q.     What is your training and work experience?**

11   A.     I have more than 25 years of experience in performing various office and field functions  
12         related to the sewer utility and drain cleaning/plumbing businesses. As the Commission is  
13         aware from previous Dockets, my husband Bill ran and managed the Spartanburg  
14         Division of the Roto-Rooter Service Company from 1993 until 1995. During that time I  
15         scheduled service calls, dispatched, and performed all of the office duties required by  
16         Roto-Rooter Service Company. In 1995, Bill and I formed Operation Drains, Inc. for the  
17         purpose of providing drain cleaning and emergency plumbing services to residential and

1 commercial customers in the Spartanburg area. I was responsible for helping to run  
2 Operation Drains, Inc. until we sold the company in 2006.

3 In 1999, we began providing utility services in Linville Hills. At that time, I received  
4 training from the previous owner of the utility, and began performing various office and  
5 billing functions for the Company. In 2001, the Company began providing services to  
6 Madera Village Subdivision. In 2007, I began doing field work for the Company, which  
7 involves meeting new customers and enrolling them in Company services, collecting an  
8 managing customer deposits, inspecting the Company systems and ensuring these  
9 systems are working properly, reconnect and disconnect sewer service as appropriate, and  
10 investigate and resolve system issues (back-ups, stoppages, broken or missing caps/other  
11 equipment). I have continued to provide a variety of billing and field services to the  
12 Company over the years, and do so currently.

13 **Q. What are your job responsibilities in your current position?**

14 A. My responsibilities include the day-to-day management and oversight of Moore Sewer's  
15 wastewater collection operations. I perform all account opening and management  
16 responsibilities, collect and manage customer deposits, perform all billing and collection  
17 services, investigate and resolve customer problems, and contract with third-party  
18 vendors who perform services and maintenance on the Company systems. My husband  
19 assists me with some field services and some diagnostic tasks, and offers me suggestions  
20 on how to resolve issues. In addition, he offers his assistance when extra physical  
21 strength is necessary.

22 **Q. What is the purpose of your testimony in this proceeding?**

23 A. The purpose of my testimony is to provide the Commission with an overview of the

1 Applicant and its operations, demonstrate why the Company has a clear need for an  
2 increase in the 2003 Commission-approved sewer service monthly charge.

3 **Q. Are there any exhibits which you would like to incorporate into your testimony at**  
4 **this time?**

5 A. Yes there are. At this time, I would like to incorporate the Application filed in this  
6 proceeding with the Commission along with all of its accompanying exhibits.

7 **Q. What are the authorized service areas of Moore Sewer?**

8 A. Moore Sewer is currently authorized to serve the Linville Hills Subdivision and the  
9 Madera Village Subdivision. The Linville Hills Subdivision is located in Moore, South  
10 Carolina, in Spartanburg County. The Madera Village Subdivision is located in  
11 Spartanburg, South Carolina, in Spartanburg County.

12 **Q: Please describe the plant and facilities which comprise that portion of the Linville**  
13 **Hills sewer system owned and operated by Moore Sewer.**

14 A: The Linville Hills sewerage system includes 11,000 feet of six (6) and eight (8) inch  
15 drain pipe, approximately three hundred (300) taps, and approximately thirty-four (34) to  
16 thirty-six (36) manholes.

17 **Q: Please describe the plant and facilities which comprise that portion of the Madera**  
18 **Village Subdivision sewer system owned and operated by Moore Sewer.**

19 A: The Madera Village Subdivision sewerage system includes twenty-five (25) manholes,  
20 and 5,675 feet of eight-inch drainpipe and approximately ninety (90) taps.

21 **Q. How many customers and of what type does Moore Sewer currently serve?**

22 A. The Company currently serves approximately 281 customers in the Linville Hills  
23 Subdivision, and 188 customers in the Madera Village Subdivision.

1 **Q. Are the Linville Hills and Madera Village Subdivisions currently built out, and, if**  
2 **not, how many additional lots are available for development?**

3 A. There are no lots available for development within the Linville Hills Subdivision, and a  
4 few vacant lots in the Madera Village Subdivision which could be developed. However,  
5 there are approximately 58 residents in the Linville Hills Subdivision that do not receive  
6 sewer collection service from the Company, instead making use of septic tanks and drain  
7 fields.

8 **Q: What Commission-approved rates is Moore Sewer authorized to charge?**

9 A: Moore Sewer is authorized to charge a collection-only flat rate for sewer of \$20.88 in the  
10 Madera and Linville Hills Subdivisions, per Commission Order 2003-477 issued in  
11 Docket No. 2003-41-S on August 5, 2003. It has been more than 14 years since Moore  
12 Sewer has requested a general increase in its rates and charges.

13 **Q. Have the Company's expenses increased since the last rate case in 2003?**

14 A. Yes. Unadjusted total operating expenses for the Company have increased from \$83,437  
15 to \$163,134.

16 **Q. Are you aware of any customer dissatisfaction with the Moore Sewer wastewater**  
17 **service?**

18 A. None that I am aware of. All complaints are resolved as expeditiously as possible. In the  
19 event we receive complaints it is our policy to record all complaints and rapidly dispatch  
20 Company personnel (or a third party hired by the Company), to the customer's location.  
21 I try to immediately remedy any physical service problems, such as back-ups in the  
22 wastewater system. I also try to remedy billing problems just as quickly.  
23

1 **Q. Is Moore Sewer providing wastewater collection service to its customers in**  
2 **conformity with the regulations and requirements of the South Carolina**  
3 **Department of Health and Environmental Control (“DHEC”)?**

4 A. A letter from Jeff deBessonnet of DHEC, dated December 15, 2016, was filed with  
5 Commission in this Docket stating that “Moore Sewer has a valid DHEC permit needed  
6 to operate the sewer collection systems in Spartanburg County.”

7 **Q: How are Company customers billed for sewer treatment services?**

8 A. Each month, the Spartanburg Sanitary Sewer District (“SSSD”) bills the Company in  
9 bulk for the sewer treatment services provided to the Linville Hills Subdivision. I then  
10 take that amount and divide by the number of active customers, and bill each customer  
11 that amount each month. In 2016, treatment billed to Linville Hills Subdivision averaged  
12 \$6.27 per month. However, this amount can increase very quickly depending on the  
13 grease, rags, clothing in the wastewater, obstructing the flow through the flume, requiring  
14 my clearing the debris and informing the Spartanburg Water System. These items raise  
15 the volume reading of the wastewater to be treated from Linville Hills. The 2016 average  
16 volume of wastewater treated was 388,100 gallons for a 31-day monthly cycle, and the  
17 average cost per month was \$1,878.71. In February, 2018, a large grease clog caused the  
18 treated volume to be 777,000 gallons, resulting in a cost of \$3,758.61 for one month.  
19 Unfortunately, the Spartanburg Water System denied my request to correct the billing,  
20 since the Company is a Private Collection System and the Company’s customers caused  
21 the problem.  
22

1 **Q. Does the Company face challenges with respect to past-due charges and fees owed**  
 2 **by its customers?**

3 A. Yes. Often a customer is incurs three months' of sewer charges and fees before the  
 4 Company can lawfully disconnect service pursuant to Commission Rule 103-535.1.  
 5 However, Commission Rule 103-531.1 allows the Company to collect a deposit equal to  
 6 only *two* (2) months' estimated or actual billings. This often leaves the Company with  
 7 amounts that it cannot collect from customers. The total dollars of unpaid debt by  
 8 customers that moved out in 2016 was \$7,686.82.

- 9 • I will show this problem with a hypothetical example using the Company's  
 10 current rates: If a customer signs up on the first day of a month and begins  
 11 receiving service on that day, the Company would bill that customer for service  
 12 on the 26<sup>th</sup> of that month. That bill for Linville Hills Subdivision currently  
 13 includes the sewer service charge of \$20.88 plus the treatment charges billed by  
 14 SSSD (an average of \$6.27 for 2016). In this example, that bill issued on the 26<sup>th</sup>  
 15 of the month would be due 25 days later (the 51<sup>st</sup> day).
- 16 • In the event that bill of \$27.15 was not paid by the 51<sup>st</sup> day, then the Company  
 17 would issue another monthly bill for along with a termination of service notice  
 18 (pursuant to Commission Rule 103.535.1) that gives the customer 30 days to pay  
 19 (or until the 81<sup>st</sup> day). That second bill would total \$72.71; including the original  
 20 \$27.15, the late payment fee of \$.41 allowed by Commission Rule 103-532.2, the  
 21 notification of disconnection fee of \$18.00 approved by the Commission, and the  
 22 monthly bill for the second month of \$27.15.
- 23 • On the 81<sup>st</sup> day, the Company would then issue a second notice making clear that

disconnection will take place in not less than ten (10) days (on the 91<sup>st</sup> day). In addition, the Company would issue its bill for a third month of service, which contains the previously billed charges, another notification of disconnection fee (\$18.00) and the charges (sewer service charge and for the third month of service. As a result, the total bill for the customer on the day the Company could disconnect that customer would be \$118.67.

By contrast, Commission Rule 103-531.1 allows the Company to collect a deposit of only \$54.30 (Two months' of the \$20.88 collection rate and sewer treatment rate of \$6.27).

**Q. Please explain the flat rate deposit amount the Company seeks to collect from its customers.**

A. Moore Sewer seeks to collect a flat fee customer deposit of \$250.00 from new customers and from those customers who have been disconnected due to non-payment, at the Company's discretion. The amount of this deposit is necessary because of the Company's history with those customers who do not pay, and the problem described above. The table below shows how a customer would accrue charges under the proposed rates and charges of the Company in the Linville Hills Subdivision:

Time Period	Base Charge	Average Treatment Charge	Late Payment Fee	Notice of Disconnection	Charges Accrued in Current Month	Total Bill
First Month	\$ 45.00	\$ 6.27			\$ 51.27	\$ 51.27
Second Month	\$ 45.00	\$ 6.27	\$ 0.77	\$ 25.00	\$ 77.04	\$128.31
Third Month	\$ 45.00	\$ 6.27	\$ 1.54	\$ 25.00	\$ 77.81	\$206.12

Having a \$250 flat fee deposit would ensure that the Company would not have to write off past-due charges. And, as described above, Moore Sewer must pay for treatment in bulk regardless of whether the customer pays her share of that amount. The Company would pay interest on deposits and refund those deposits as appropriate.

1 **Q. Please explain the proposed adjustment for “Major Repairs-Rehabilitation Incurred**  
2 **in 2017”.**

3 A. This adjustment for \$6,450 represents some important work done on the system that took  
4 place outside the test year. This work involved replacement of some damaged PVC sewer  
5 piping and installation of a mission coupling, as well as replacing root-bound clay sewer  
6 pipe with PVC piping located in the road to the utility right-of-way, and installing an  
7 elder valve.

8 **Q. Please explain to the Commission why this rate relief is necessary for Moore Sewer.**

9 A. Moore Sewer is experiencing an insufficient level of earnings, in view of the legal  
10 requirements with which it must comply, and is desperately in need of rate relief. An  
11 increase in rates is necessary in order to allow the Company to make the necessary  
12 repairs, replacements and installations (for example elder valves) to an aging system to  
13 continue to provide quality service. My husband and I have been running the Company  
14 by ourselves for a very long time, and merely want to recover sufficient revenues in order  
15 to maintain the system and upgrade the system.

16 **Q. Does this conclude your testimony?**

17 A. Yes it does.



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**CERTIFICATE OF SERVICE**

This is to certify that I have caused to be served this day the **Direct Testimony of Janet Teichman** on behalf of Moore Sewer, Inc. via electronic mail service as follows:

Jenny Pittman  
[jpittman@regstaff.sc.gov](mailto:jpittman@regstaff.sc.gov)

s/John J. Pringle, Jr.

April 12, 2018  
Columbia, South Carolina